Annual Report 1982-1983

Alberta

DEPARTMENT OF HOUSING

ISSN 0822-4382

Alberta

HOUSING

403/427-3017

Office of
the Minister

403 Legislature Building
Edmonton, Alberta, Canada
T5K 2B6

November 1983

The Honourable Frank Lynch-Staunton
Lieutenant-Governor of the Province of Alberta
3rd Floor, Legislature Building
1 Legislature Grounds
Edmonton, Alberta
T5K 2B6

Sir:

The undersigned has the honour to submit the Annual Report of the Department of Housing for the year ending March 31, 1983.

Respectfully submitted,

Larry R. Shaben

Attach.

Alberta

HOUSING

403/427-3917

Office of
the Deputy Minister

3rd Floor, One Twelve Professional Centre
10050 - 112th Street
Edmonton, Alberta, Canada
T5K 2J1

November 1983

Honourable Larry R. Shaben
Minister of Housing
403 Legislature Building
1 Legislature Grounds
Edmonton, Alberta
T5K 2B6

Sir:

I have the honour to submit herewith a report on the activities of the Alberta Department of Housing for the fiscal year ending March 31, 1983.

Respectfully submitted,

M.D. Rasmusson
Deputy Minister

Attach.

TABLE OF CONTENTS

	Page
Preface	1
Organization Chart	2
I. Policy and Planning Division	
Market and Economic Analysis Branch	3
Planning and Research Branch	3
Policy and Program Development Branch	4
II. Financial Assistance Division	
Municipal Housing Branch	5
Home Improvement Branch	7
Rural Home Assistance Branch	7
Co-Op Housing Action Program Branch	8
III. Finance and Administration Division	
Finance Branch	10
Administrative Services Branch	10
Systems Branch	10
IV. Mortgage Assistance Branch	11
V. Financial Statement	
Comparative Summary of Program Expenditures	12

PREFACE

This is the first Annual Report of the Alberta Department of Housing. Up to November 1982, the Department of Housing was part of Alberta Housing and Public Works and shared financial, administrative and personnel functions within that department.

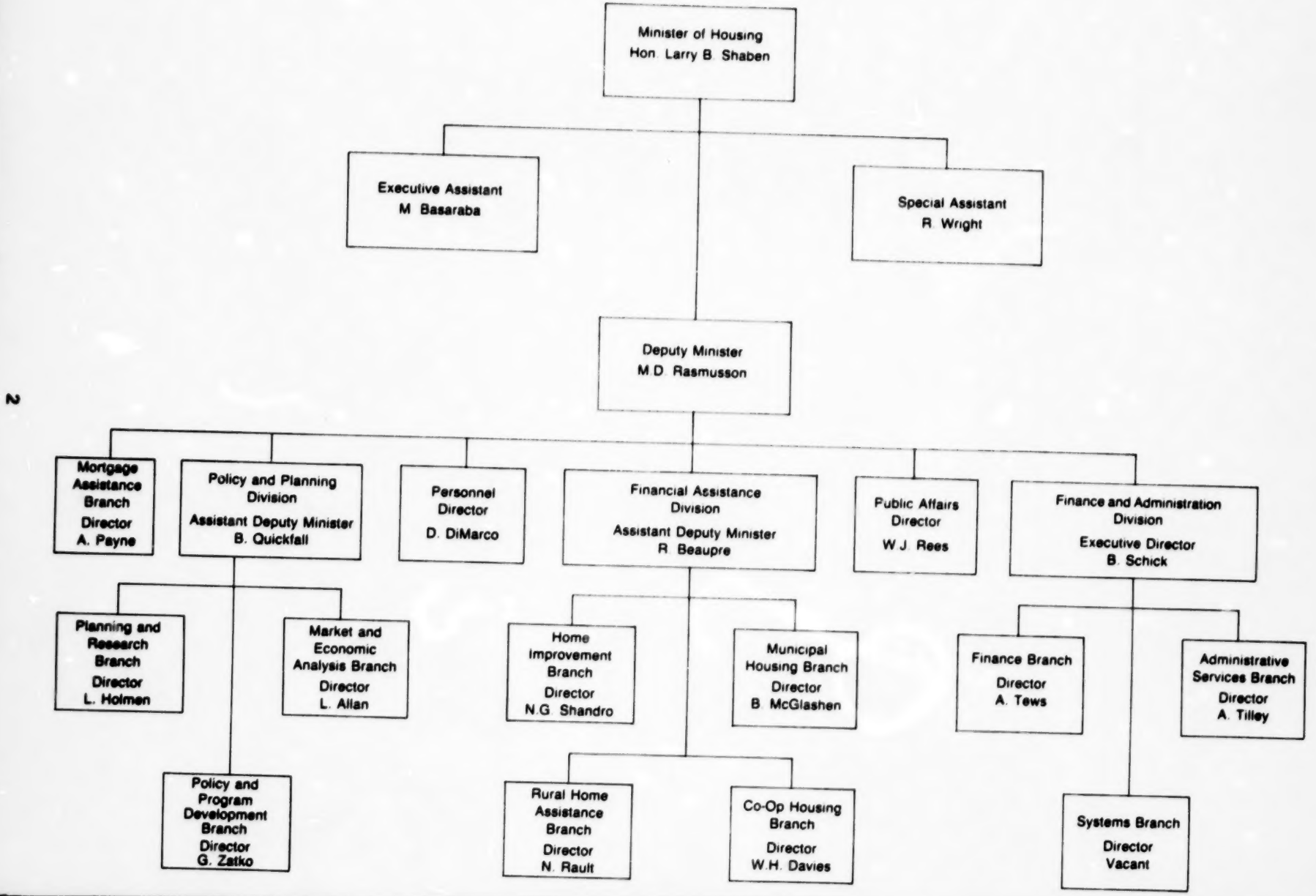
The Department of Housing has four major functions that it performs:

— policy and planning coordination for the Department, the Alberta Housing Corporation and the Alberta Home Mortgage Corporation;
— self-help housing training and advice for families and individuals interested in building their own home;
— innovative housing research with industrial and individual concerns; and
— grant program administration for targeted groups.

These activities are carried out by three Divisions — the Policy and Planning Division, the Financial Assistance Division and the Finance and Administration Division. An additional branch, the Mortgage Assistance Branch, was created in 1982-1983 to administer the Alberta Heritage Fund Mortgage Interest Reduction Program.

ALBERTA DEPARTMENT OF HOUSING

March 31, 1983



I. POLICY AND PLANNING DIVISION

This Division is responsible for assisting the Minister of Housing in coordinating the development of housing policies, programs and strategies designed to improve the housing situation of Albertans, particularly those with low and moderate income. The scope of this responsibility includes the analysis of existing provincial housing programs, undertaking or sponsoring research into innovative improvements in all aspects of housing, and development of recommendations on new or improved ways to make housing more accessible to Albertans.

The Division has three branches: Market and Economic Analysis, Planning and Research, and Policy and Program Development. Through these three branches the Division is active in gathering, analyzing and disseminating information, structuring of new policies and programs, revising existing housing programs, and coordinating programs and devising overall housing strategies.

Two major undertakings dominated the activities of the Division during the year: the development and start-up of the Alberta Heritage Fund Mortgage Interest Reduction Program; and increased momentum of technical research activities. As a result of the latter, the Division was involved in a number of studies dealing with improvements in such areas as site and subdivision design, energy conservation and housing technology.

MARKET and ECONOMIC ANALYSIS BRANCH

The Market and Economic Analysis Branch is responsible for providing professional research analysis and housing policy and planning services to the Department in the area of market housing. In addition to providing analytical expertise, the branch is responsible for producing ongoing housing-related statistics focussing on specific subjects of interest to the general public, the private sector and government officials. In order to meet its responsibilities, the branch is organized into two functional areas:

— policy and program analysis function largely involving the major mortgage lending programs of the provincial government; and
— economic analysis unit involved in the gathering, analysis and dissemination of information pertaining to housing.

Policy and Program Analysis

Policy and program analysis activities focus mainly on the major lending programs of the Alberta Home Mortgage Corporation and on the Extended Alberta Rental Investment Incentive Program. As necessary, the branch monitored, evaluated and made recommendations concerning program changes.

Economic Analysis

Economic analysis functions during 1982-1983 included:

— an ongoing monthly report on residential construction activity in the Province; and
— annual survey of apartment vacancy rates and rental costs involving 89 communities in the Province.

In addition, the Market and Economic Analysis Branch continued to respond to requests for information from the general public, industry and government and conducted specialized studies, developed estimates and forecasts of housing requirements and construction levels. The branch also developed a monitoring system for residential construction in the Province.

PLANNING and RESEARCH BRANCH

The main responsibilities of the Planning and Research Branch are as follows:

— to support and carry out housing research and development in the fields of building, site and subdivision design, energy conservation, technology, land development and urban growth with a view to increase housing quality and affordability.

The branch also has planning responsibilities including:

— forecasting residential land and housing requirements in resource and fast growing communities;
— recommending measures to offset such problems;
— evaluating land and infrastructure programs for housing; and
— providing advice from a housing perspective on major resource plans and regional and urban development plans.

Major Activities

Under the Innovative Housing Grants Program the level of research activity has increased. This program provides grants of up to $25 000 to assist industry, organizations or individuals to carry out research and development in the field of housing. The major areas of investigation were energy conservation, site and subdivision design, product development and industrialized housing. Some of the projects completed this year are as follows:

THE DEVELOPMENT OF A MOVABLE INSULATING CURTAIN
by Sunergy Systems Ltd.

ENERGY EFFICIENT HOUSING FILM SERIES
by ACCESS Alberta
This project produced a series of videotapes on energy efficient new construction and renovation.

CLUSTER IN-FILL CONCEPT
by Community Planning Consultants Ltd. and Peter Prach Architect Ltd.
This project developed an innovative design for ground-oriented housing at high densities in a cluster concept and assessed the viability of such cluster housing designs.

INNOVATIVE LAND AND HOUSING DESIGN COMPETITION
by the City of Calgary and Carma Developments

INNOVATIVE SUBDIVISION DESIGN CONCEPT
by Tritek Engineering Ltd.

THE HOUSING CRUNCH
by the Urban Development Institute
This project produced a videotape on the benefits of small lot housing.

AN ALTERNATIVE CUL-DE-SAC DESIGN
by Reid, Crowther and Partners Ltd.

MODEL OF CHANGING HOUSING MARKET CONDITIONS
by Cal-Plan Consulting Corporation Ltd.
This project developed a computer modelling program which could assist in forecasting new housing requirements in terms of household size and product.

EVALUATION OF A HYDRONIC HEATING SYSTEM FOR LOW ENERGY HOUSING UNITS
by Sol-Tech Housing Calgary Ltd.
This project evaluated the performance of two hot water heating systems.

THE INNOVATIVE USE OF ON-SITE PRECAST STRUCTURES FOR LOW/MID-RISE HOUSING
by Quinn, Dressel Jokinen, Consulting Structural Engineers, William McCreery Architects and RPA Consultants Ltd.
This study evaluated the economic and life cycle costing of on-site precast systems for low and mid-rise housing projects.

ECOSTUD BUILDING SYSTEM
by Ecostud Industries
This project involved the development and testing of a wall framing truss system to allow for increased insulation levels in energy efficient housing.

The branch also completed several studies, including a Study of Design Preferences and Trade-Offs for Moderately-Priced Housing in Alberta and a Study of Corporate Housing Assistance in Alberta. With the increasing number of successfully completed projects, the branch has been focussing more on the dissemination of research results to maximize their impact.

The branch continued to monitor and forecast major investment plans which affect community growth and residential land and housing supplies. One focus of this activity was the Coal Branch region. In addition to monitoring this region, the branch participated with other Alberta government departments in recommending general development and housing policies for the Hinton-Edson-Coal Branch regions.

POLICY and PROGRAM DEVELOPMENT BRANCH

The Policy and Program Development Branch is responsible for examining and recommending directions for the Province's social housing and related programs. In carrying out its responsibilities, the branch:
— assesses new housing policy alternatives;
— undertakes program monitoring and evaluation;
— undertakes corporate planning and economic reviews;
— develops administrative procedures for new or modified housing programs;
— undertakes housing client-need studies;
— initiates and coordinates interdepartmental and intergovernmental policy development activities; and
— funds and manages eight social housing registries.

The following items describe the highlights of branch activities during the reporting period:
— housing needs studies completed for senior citizens, low income families, hard-to-house clients and physically disabled persons;
— computer system for the housing registry system was redesigned and implemented;
— policy analysis and program evaluation was undertaken in a number of areas including non-profit and community housing
— developed the administrative procedures for the new Seniors' Home Improvement Program;
— undertook financial analysis of different funding mechanisms for provincial housing programs;
— prepared medium term housing plans;
— developed a videotape program describing housing programs in Alberta;
— completed profiles of clients using provincial programs.

II. FINANCIAL ASSISTANCE DIVISION

The Financial Assistance Division is composed of four branches: Municipal Housing, Home Improvement, Rural Home Assistance and Co-Operative Housing Action Program. The Division also supports an office in Calgary which provides contact with potential clients in Southern Alberta.

The objective of the Division is to provide housing assistance to Alberta residents. The Division is responsible for implementation, administration and coordination of these programs.

MUNICIPAL HOUSING BRANCH

The Municipal Housing Branch provided assistance through six programs.

Neighbourhood Improvement Program was terminated on March 31, 1978. Although no new projects could be approved, those previously approved were completed. They were as follows:

Calgary — Inglewopod/Ramsay
Hillhurst/Sunnyside
Chinatown
Bowness/Montgomery
Victoria Park
Bridgeland
Crescent Heights/Regal Terrace

Edmonton — Alberta Avenue/Eastwood

Drayton Valley

Fort McMurray

During the fiscal year, $398 264.96 was advanced to municipalities, bringing the total provincial funds advanced under the program to date to $8 975 745.68.

Official termination of the program occurred in March 1983.

Community Service Contribution Program - Neighbourhood Improvement Component Program which replaced the former NIP Program was a two year program, 1979 and 1980. No new applications could be approved during the reporting period, but those previously approved were carried through to completion. During 1982-1983, $174 449.51 was advanced to various projects.

One-hundred and eighty-one projects were approved for a total of $13 500 000 during the two year program.

The original termination date of the program was February 1982. It has been extended to February 28, 1984.

Alberta Home Conversion Program was introduced in April 1980 with the objective of stimulating the development of additional rental accommodation. Owners of existing housing and owners of new homes under construction may be eligible for an interest subsidy of five per cent on a maximum loan of $10 000. The subsidy is available for up to 10 years.

Alberta Municipal Housing Incentive Program was introduced in April 1980. It was designed to promote the construction of medium density housing and economic land development and to help municipalities finance the cost of growth through the provision of grants. Grants to municipalities are based on the rate of new housing production in relation to production in previous years and the number of eligible units built. Housing production levels are measured against the base level which is the average number of new dwellings started in a municipality over the last three years.

Effective January 1, 1981, an additional incentive of $500 was introduced into the program.

Grants are provided as follows:
- $500 per eligible unit for production in excess of 0 and up to and including 50 per cent of the base level;
- $1000 per eligible unit for production in excess of 50 per cent and up to and including 75 per cent of the base level;
- $1500 per eligible unit for production in excess of 75 per cent and up to and including 100 per cent of the base level; and
- $2000 per eligible unit for production in the excess of 100 per cent of the base level.

During 1982-1983, 84 municipalities received a total of $20 500 500 under this program.

MUNICIPALITIES THAT HAVE RECEIVED FUNDING UNDER THE ALBERTA MUNICIPAL HOUSING INCENTIVE PROGRAM AS OF MARCH 31, 1983.

1982/83 Fiscal Year Municipality	Amount of Funding
Airdrie	$ 130 000
Banff	110 500
Barrhead	16 000
Bawlf	2 000
Beaverlodge	4 000
Big Valley	12 000
Blackfalds	2 000
Bonnyville	6 000
Bow Island	9 000
Breton	9 500
Bruderheim	14 000
Calgary	8 135 000

MUNICIPALITIES THAT HAVE RECEIVED FUNDING UNDER THE ALBERTA MUNICIPAL HOUSING INCENTIVE PROGRAM AS OF MARCH 31, 1983 (Cont'd)

1982/83 Fiscal Year Municipality	Amount of Funding
Calmar	21 000
Camrose	175 000
Canmore	34 000
Carbon	1 000
Cayley	3 500
Champion	8 000
Claresholm	26 000
Clyde	80 500
Coalhurst	6 000
Cochrane	10 500
Cold Lake	10 000
Devon	15 500
Didsbury	34 000
Drumheller	17 500
Edmonton	6 508 000
Foremost	13 000
Fort Assiniboine	8 000
Fort McLeod	20 500
Fort McMurray	35 000
Gibbons	9 000
Grande Cache	46 000
Grande Prairie, County of	4 000
Grimshaw	8 000
Hanna	6 000
High Level	137 000
High Prairie	17 500
High River	15 500
Hinton	105 000
Innisfail	32 500
Jasper	500
Lac La Biche	246 000
Lacombe	61 500
Lethbridge	588 500
Lloydminster	37 000
Lamond	1 000
Manning	29 000
Mayerthorpe	15 000
Medicine Hat	390 000
Morinville	22 000
Nampa	7 000
New Sarepta	44 000
Okotoks	41 000
Olds	4 500
Onoway	8 000
Peace, M.D. of	5 000
Peace River	18 500
Picture Butte	16 000
Raymond	2 000
Red Deer	2 374 000
Rimbey	26 500
Rocky Mountain House	4 000
Rycroft	2 000
St. Albert	191 000
Sexsmith	500
Smoky Lake	11 000
Spirit River	6 500
Standard	1 000
Stettler	12 000
Stony Plain	41 500
Strathcona, County #20	3 500
Strathmore	120 500
Swan Hills	1 000
Thorhild	13 000
Two Hills	24 000
Valleyview	10 000
Vegreville	120 500
Vermilion	23 500
Veteran Butte	3 500
Viking	28 000
Wainwright	4 000
Waskatenau	12 500
Wetaskiwin	72 500
TOTAL	20 500 500

Unique Home Assistance Program provides grants to eligible senior citizen homes for 75 per cent of justifiable deficits up to $4.57 per patient, per day. Justifiable deficits are defined as the shortfall between revenue (patient contributions and investment income) and eligible costs of care and services.

The nine homes that received funding provided levels of care ranging from that provided in senior citizen lodges to nursing homes. On the average, these homes provided a level of care falling between that available in lodges and nursing homes.

During the 1982-1983 fiscal year, $711 115 was disbursed to the following homes: Sunset Home and Bethany Care in Calgary, Bethany Sunset in Camrose, Mennonite Home in Coaldale, Sunset Home and Emmanuel Home in Edmonton, Pioneer Home in Hythe, Haven of Rest in Medicine Hat and the Good Shepherd Home in Wetaskiwin.

Alberta Rental Investment Incentive Program was designed to encourage the construction of more rental housing for Albertans, by providing an extra incentive for investors who started construction on a multiple unit residential building during 1980 or 1981. Under the program, corporations taxable in the Province apply for a tax credit, while individuals apply for a rebate.

The credit or rebate per residential unit cannot be more than $3000. The total rebate per year cannot

exceed Alberta income tax payable. If however, an applicant's tax payable is less than the total eligible incentive, the tax rebate may be carried into subsequent years to eventually obtain the maximum incentive.

A total of 896 applications were processed during the 1982-1983 fiscal year, totalling $2 156 353.

Extended Alberta Rental Investment Incentive Program is similar to the Alberta Rental Investment Incentive Program except that the incentives provided were changed to a refundable tax credit for corporations and a grant for individuals.

In 1982, the incentive level was 12.5 per cent of building costs, up to $8000 per unit. In 1983, the incentive level was 10 per cent of building costs, up to $6400 per unit.

Eleven applications were approved during the 1982-1983 fiscal year.

HOME IMPROVEMENT BRANCH

The Home Improvement Branch provides assistance through three programs:

— Alberta Pioneers' Repair Program;
— Senior's Home Improvement Program which provides funds to improve the homes of senior citizens on low and moderate incomes; and
— Home Adaptation Program which provides funds to make adaptations to accommodations occupied by wheelchair users.

Effective November 30, 1982 applications for grants under the Alberta Pioneers' Repair Program were no longer accepted. However, grant recipients approved before that date have a period of four years from the date of approval in which to spend the funds awarded to them. The amount of grant awarded under the Alberta Pioneers' Repair Program and Seniors' Home Improvement Program is determined by the total income of the applicant and his/her spouse.

Seniors' Home Improvement Program

Grants under the new Seniors' Home Improvement Program are determined as follows:

Total Income	Amount of Grant
$15 000 or less after allowable deductions or recipient of Alberta Assured Income Supplement	$3000
$15 001 to $17 500 after allowable deductions	$2000
$17 501 to $20 000 after allowable deductions	$1000

From December 1, 1982 to March 31, 1983 there were 34 201 grants approved under the Seniors' Home Improvement Program. Of the approved applicants, 89 per cent qualified for the full $3000, six per cent received $2000 and five per cent received $1000.

The total commitment of funds for the period was $67.1 million.

Home Adaptation Program is available to homeowners, tenants or landlords who are themselves wheelchair users or have a wheelchair user residing in their accommodations. A grant of $1000 is provided to homeowners or tenants whose current adjusted family income does not exceed $25 500 per year, or to landlords who agree to rent accommodation to tenants who meet the eligibility criteria of the program. During the fiscal year 1982-1983, 121 applications were approved.

RURAL HOME ASSISTANCE BRANCH

The objective of the Rural Home Assistance Branch is to help families and communities in northern areas of Alberta to build their own homes. The branch is responsible for four programs: the Isolated Communities Housing Program, which is operative in 24 isolated or semi-isolated communities; the Metis Settlement Housing Program which operates in eight Metis Settlements (Kikino, Caslan, Fishing Lake, Elizabeth, East Prairie, Big Prairie, Gift Lake and Paddle Prairie); a home repair program for all associated communities; and a sewer and water program for all of the above communities.

The main activities of the branch included:

— disseminated information on the Rural Home Assistance Programs in selected isolated communities and Metis Settlements;
— accepted applications for housing assistance for residents;
— ensured that need and eligibility criteria were met;
— planned housing projects with each community;
— assisted in drafting housing projects with each community;
— supervised construction and provided technical counselling;
— coordinated the project with other available programs; and
— monitored and reviewed the progress and financial costs of the projects.

Housing grants are distributed to each community on a per house basis. The community has the responsibility to ensure that houses are built within their budget allocation. The program is flexible allowing for variety in the type of home that may be built, with preference given to construction methods that make use of local labour and materials. Homes are built using logs, "pre-fab" construction or may be stick-built as well as employing more conventional building

methods. Families may choose to add some of their own money to obtain additional features not provided for under the grant.

During the 1982-1983 fiscal year, 64 new units were funded in the Isolated Communities and 61 in the Metis Settlements, with 54 homes repaired to an acceptable standard. Of those new homes, 115 have had water and sewer "roughed-in" with the aim of providing indoor plumbing in due course.

A total of 478 new homes have been built by the communities under this program since it began during 1977-1978.

Isolated Communities	**1982-1983**
Wanyandia Flats	1 unit
Muskeeg Cee Pee	2 units
Victor Lake	2 units
Susa Creek	2 units
Kamisak	2 units
Joachin Ent.	1 unit
Grovdale	3 units
Eureka River	4 units
Cadotte Lake	3 units
Little Buffalo Lake	4 units
Loon Lake	4 units
Peerless Lake	4 units
Trout Lake	4 units
Chipewyan Lake	3 units
Sandy Lake	3 units
Desmarais/Wabasca	5 units
Calling Lake	4 units
Owl River	4 units
Janvier	4 units
Ft. McKay	1 unit
Boyer Smt.	4 units

Metis Settlements	**1982-1983**
Elizabeth	6 units
Fishing Lake	6 units
Casland	9 units
Kikino	10 units
Gift Lake	7 units
Big Prairie	7 units
East Prairie	7 units
Paddle River	9 units

CO-OPERATIVE HOUSING ACTION PROGRAM BRANCH

The objective of the Co-operative Housing Action Program Branch (C.H.A.P.) is to encourage and initiate self-help housing. Under its home ownership program, the branch assists eligible families in obtaining lots, mortgage financing, and necessary agreement with sub-contractors or general contractors. In total, 12 to 13 weeks of training are provided to clients before actual construction commences. The branch also provides technical expertise to participants enrolled in the program.

In addition for those applicants who wish to hire a builder to construct their houses, the branch offers a short course called the Home Ownership Program (H.O.P.).

During 1982-1983, 513 homes were completed and 398 started, for a total of 911 homes.

Region	**Program**	**Start**	**Completions**
Peace River	C.H.A.P.	23	19
	H.O.P.	8	12
Grande Prairie	C.H.A.P.	12	13
	H.O.P.	3	11
Bonnyville	C.H.A.P.	53	66
	H.O.P.	33	34
Westlock/Hinton	C.H.A.P.	21	12
Ft. McMurray	C.H.A.P.	1	5
	H.O.P.	-	-
Edmonton	C.H.A.P.	69	86
	H.O.P.	25	30
Red Deer	C.H.A.P.	29	40
	H.O.P.	-	-
Calgary	C.H.A.P.	102	173
	H.O.P.	-	-
Lethbridge	C.H.A.P.	18	7
	H.O.P.	-	-

These homes were either financed privately, or through the Alberta Family Home Purchase Program, or through the Rural and Native Housing Program, a 75/25 cost-shared federal/provincial program.

Delivery of the Rural and Native Program underwent an increase in starts to 200, up 33 per cent over the previous year, with 17 special projects either started or completed during the reporting period in the following communities:

Calihoo	Peace River
Villenueve - 2	Grande Prairie

Beaumont
Bon Accord
Elk Point
Edmonton - 6
Strathmore
Calgary
Derwent

For the most part, these were houses whose applicants applied innovative design, material or methods. The special projects section provided advice and support required. In return, the branch received concrete information on the results to incorporate into future projects.

The C.H.A.P. Self-Help display was shown in 40 centers in Alberta.

III. FINANCE AND ADMINISTRATION DIVISION

The Finance and Administration Division of the Department of Housing was established in December 1982. The Division was staffed by the transfer of employees from the Finance and Administration Division of Alberta Housing and Public Works when that Department was merged with Alberta Government Services to form Public Works, Supply and Services. The functions of this Division are to:

— coordinate, consolidate, analyze and recommend departmental budgets;
— ensure the accuracy and validity of all financial transactions, including prompt processing of these transactions and collection of departmental revenues;
— provide comprehensive administrative services and advice to the Department; and
— provide comprehensive EDP and word processing services and advice to the Department.

This mandate is carried out by three branches - Finance, Administrative Services, and Systems.

FINANCE BRANCH

This branch is responsible for the following activites:

— coordinates, reviews and recommends the departmental budget;
— monitors expenditures against budgetary intentions by issuing reports and recommends fiscal solutions;
— has responsibility, authority and accountability for verification of all expenditures associated with departmental budgets;
— issues financial information documents to program areas and provides interpretation and advice as required;
— conducts reviews of financial concepts among expenditure and/or receiving officers to assist in fulfilling their responsibilities; and
— ensures that all departmental receivables and revenues are properly documented, collected and reported.

During the period December 1, 1982 to March 31, 1983 the accounts payable staff processed a monthly average of 1500 invoices for cheque production in addition to responding to approximately 200 inquires.

The accounts receivable unit handled approximately 1600 transactions monthly and distributed salary cheques for the Department.

ADMINISTRATIVE SERVICES BRANCH

The Administrative Services Branch consists of three major units: the records centre, supply and services centre and the library. Its services are extended to 14 branches of the Department and to 14 field offices.

The records center provided records management services, including the development and implementation of records classification, retention, disposal schedules and consulting services.

The supply and services center processed requests pertaining to stock, inventory, maintenance, space, duplicating, courier, telecommunication, fixed assets, contract administration, telephone reception and vehicles.

The library provided inter-library loan services to Alberta Housing Corporation, Alberta Home Mortgage Corporation, other Alberta Government departments and agencies and to non-government borrowers, as well as maintained acquisition and distribution of library materials and services to the Department.

SYSTEMS BRANCH

This branch is responsible for the following activities

— development of short- and long-range departmental EDP/word processing plans;
— planning and management of EDP/word processing systems development projects; and
— providing EDP/word processing support and consultative services to the Department.

During the reporting period, the branch provided a variety of services to support the delivery of departmental programs. These involved participation in the development of new EDP systems to support the Alberta Heritage Fund Mortgage Interest Reduction Program and an enhanced EDP system to support the Seniors' Home Improvement Program. Other activities included the performance of studies and the provision of consultative services on EDP and word-processing related matters.

IV. MORTGAGE ASSISTANCE BRANCH

Alberta Heritage Fund Mortgage Interest Reduction Program

On September 7, 1982, the Government of Alberta announced the Alberta Heritage Fund Mortgage Interest Reduction Program as part of Phase 2 of the Economic Resurgence Plan. The program was designed to relieve the financial pressure caused by high mortgage interest rates.

The Alberta Heritage Fund Mortgage Interest Reduction Program is aimed specifically at shielding Alberta homeowners from high mortgage interest rates over a two-year benefit period, which commenced on September 1, 1982 and will end August 31, 1984.

The Mortgage Assistance Branch was established to administer the program, to process applications and to respond to inquiries from applicants and lending institutions.

Brochures, applications and other forms were available through local financial institutions and Treasury Branches, as well as the Mortgage Assistance Branch.

Eligibility for Benefits

Alberta homeowners who are Canadian citizens or Permanent Residents may be eligible for benefits. The homeowner must be named on the Certificate of Title of the property against which there is a registered mortgage at an interest rate in excess of 12.5 per cent. Benefits are paid only on the homeowner's principal residence.

Mortgage principal amounts, up to a maximum of $60 000 per applicant, are eligible for interest reduction. Existing mortgages and mortgages taken out, renewed or assumed during the program benefit period are eligible.

Assistance is granted on several types of mortgage financing including conventional fixed-rate mortgages, variable rate mortgages, graduated payment mortgages, demand loans, and Agreement for Sale, provided they are registered qualifying debts with effective interest rates above 12.5 per cent. All types of dwelling units are considered, including mobile homes on the applicant's owned or leased land, provided other eligibility requirements are met.

Subject to the restriction of a maximum eligible interest rate, benefits are paid as a monthly rebate equal to the difference between the principal and interest component of the actual monthly payment and the amount that would be charged if the mortgage interest rate were 12.5 per cent. Benefits may be paid retroactively provided application is made by August 31, 1984.

Program Activity

The delivery of the Alberta Heritage Fund Mortgage Interest Reduction Program is the responsibility of the Mortgage Assistance Branch. The branch developed administrative procedures, received applications, determined applicant eligibility, processed approved applications in accordance with program guidelines and regulations, recorded maintenance and responded to public enquiries.

Over 75 000 telephone inquiries were handled by the branch from mid-October to March 31, 1983, an average of over 3000 calls per week.

By the end of the 1982-1983 fiscal year, a total of 135 685 applications had been received with 80 per cent of this volume arriving prior to the end of December 1982. A total of 134 803 applications were approved and $89 070 219 in benefits had been paid by the end of the fiscal year.

The Mortgage Interest Review Board was established in October 1982 to receive applications for review where the applicant was deemed ineligible or where calculation of assistance was disputed. Hearings were held by the Review Board as often as required at suitable locations throughout the Province. By the end of March 1983, 724 applications had been reviewed, of this number, 617 were allowed and 107 denied.

Renegotiation Option

In response to significantly lower mortgage interest rates the Renegotiation Option was announced on February 9, 1983. This Option provides participants in the Alberta Heritage Fund Mortgage Interest Reduction Program with reimbursement of costs if they renegotiate their mortgages to a lower interest rate. The financial assistance is the lesser of:

- actual interest penalty cost of renegotiating plus up to $200 of legal and administrative fees; or
- up to three months interest penalty on up to $60 000 mortgage principal plus up to $200 for legal and administrative fees; or
- the equivalent of what the program would have paid in interest rebate before the renegotiation, less a processing cost of $100.

Applicants receiving mortgage interest reduction benefits were sent information on the Renegotiation Option. In addition, before the end of the fiscal year, approval had been requested for two changes to the Renegotiation Option:

- to increase the ceiling in reimbursable legal and administration costs when applicants renegotiate with a new lender; and
- to permit eligibility for the Renegotiation Option when mortgages are paid out.

V. FINANCIAL STATEMENT

COMPARATIVE SUMMARY OF PROGRAM EXPENDITURES ($000)

	1981-1982		1982-1983	
Departmental Support Services				
Minister's Office	$ 205		$ 201	
Deputy Minister of Department of Housing	93		129	
Administrative Support	240		433	
Personnel Administration	24		95	
Total Vote 1		$ 562		$ 838
Policy Development and Financial Assistance for Housing				
Policy and Program Development	1 283		1 692	
Housing Assistance	2 952		4 171	
Financial Assistance for Housing	47 838		42 210	
Total Vote 2		52 073		48 073
Alberta Heritage Fund Mortgage Interest Reduction Program				
Program Support	—		4 724	
Financial Assistance	—		88 696	
Total Vote 3		—		93 420
Alberta Housing Corporation				
Housing for Albertans	61 561		62 011	
Total Vote 4		62 561		62 011
Alberta Home Mortgage Corporation				
Mortgage Assistance	36 600		79 959	
Total Vote 5		36 600		79 959
TOTAL		$105 796		$284 321